

DIRECTORATE OF INTELLIGENCE

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## Central Intelligence Bulletin

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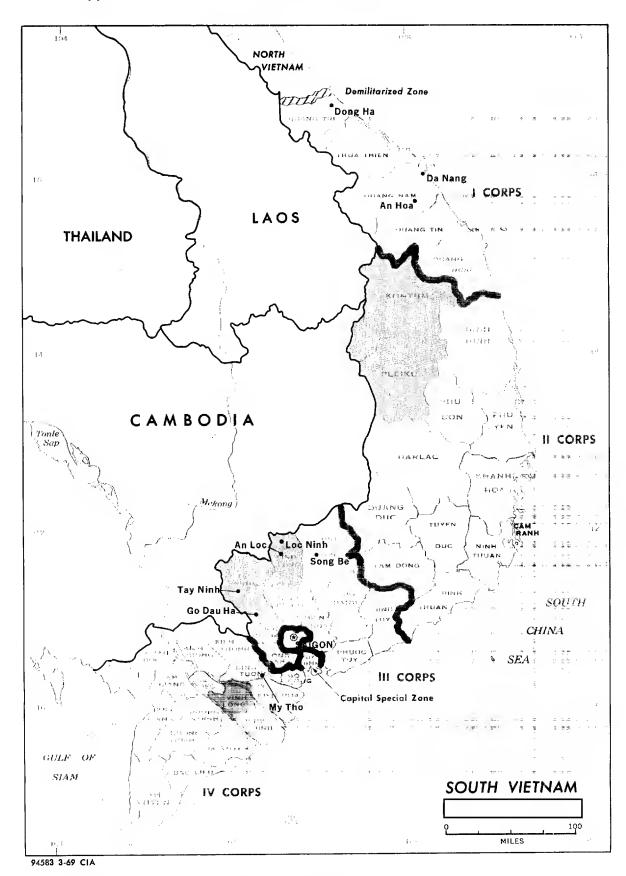
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Vietnam: The pace of fighting stepped up over the weekend, particularly in III Corps, possibly signaling a new round of heavy action in many areas of the country.

Some of the heaviest fighting occurred near Tay Ninh city where on 7 March a Communist attack against a US Army position was repulsed with enemy losses of 154 killed. In two other engagements on the same day 48 South Vietnamese soldiers were killed in an area four to eight miles east of Tay Ninh city. Some 30 Communists were killed in these clashes. In southern Tay Ninh Province, near Go Dau Ha, a battle between US and Communist forces resulted in 37 enemy and 14 US killed.

Also in III Corps, the allied base at Song Be came under enemy fire. An Loc and Loc Ninh in Binh Long Province were also shelled and an attempt by an enemy unit to penetrate the allied Special Forces camp at An Loc was thrown back. Saigon received no mortar or rocket rounds over the weekend.

The Communists also appear to be planning additional attacks against allied posts just below the Demilitarized Zone. Recent prisoners from Group 31, a regimental-sized North Vietnamese unit which operates just below the DMZ, claim that their mission was to "take over" the US Marine base and the surrounding area at Dong Ha. On 9 March, US Marines killed some 20 North Vietnamese regulars in a clash near Dong Ha.

The US Marine base at An Hoa, southwest of Da Nang, was hit on 8 March by over 125 enemy mortar and rocket rounds, killing two Marines and wounding 42. A nearby refugee camp was also shelled, killing 14 civilians and wounding nine.

Action in II Corps remained at a high level, with most of the action still concentrated around

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Callied Special Forces camps and artillery bases in Kontum and Pleiku provinces.

In IV Corps, the Communists maintained a steady pace of mortar attacks against allied positions on 7-9 March. Some populated areas were also hit by mortar fire. Only one major ground action was reported, with 72 Viet Cong being killed by an ARVN unit in Vinh Long Province.

The enemy threat to My Tho continues to grow. A rallier of 6 March from one of the four enemy battalions known to be within striking distance of My Tho claims that a multibattalion attack will shortly be launched against the town.

Israel-Egypt: The Israelis may expand their reprisal actions along the Suez Canal beyond artillery duels such as those of 8 and 9 March.

These latest artillery exchanges were the heaviest since last fall. The outbreaks resulted from what appears to be a deliberate Egyptian campaign over the past two weeks of sniping across the Canal. UN observers on the scene and Israeli leaders have warned Cairo of the possibilities of reprisal.

Last fall the Israelis suffered what they regard as heavy casualties from Egyptian artillery and pulled their troops back from the Canal. They have since begun to construct concrete and steel troop shelters, and have indicated that once these are completed-by the end of March-they will be free to retaliate.

Despite the difficult:	ies and hazards, the Is-
raelis may be considering a	a strong airstrike in the
southern Suez Canal area.	
	the Israeli Air Force
might be planning a strike	at Egyptian artillerv

positions some distance from the Canal.

The Egyptian oil refinery at Port Suez was again hit by artillery in this latest exchange, but the extent of damage has not been established. Press reports indicate that three or four oil storage tanks were hit.

It is too early to tell if the death of Egyptian Chief of Staff Riad in the artillery clashes will affect Egyptian military actions.

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Hungary-USSR: Hungary is moving cautiously to add political changes to its other reform programs and to seek modification of its economic relations with the USSR and Eastern European countries.

After an unusual joint meeting on 5-6 March, top-level party and government leaders issued a communiqué calling for reinvigoration and expansion of domestic political reforms, a program that has been in limbo since the Soviet intervention in Czechoslovakia. The statement called for rule of law, constitutional revision, further election reforms, the development of socialist democracy, regional autonomy, and the expansion of the roles of government and mass organizations in society.

These changes imply a loosening of the pervasive grip of the party, but do not presage a loss of party control. The Soviet leadership, however, will watch the reform process with interest. They were probably not surprised by the communiqué because Kadar almost certainly covered this ground during his visit to Moscow in early February. Nevertheless, the Hungarian declaration was defensive in tone and larded with references to "sovereignty" and "equality."

The communiqué's call for "an all-around review" of existing cooperation within the purview of the Council for Mutual Economic Aid (CEMA) and its support of integrated national economic planning indicate Hungary's vital interest in CEMA reform. The communiqué endorsed the work of top economic negotiators who recently went to Moscow to explain Hungary's views on the subject. The Hungarian decision to press openly for CEMA reform may be a bid for further discussions with its CEMA partners prior to the CEMA summit.

As if to underscore it	s desire to promote re-
forms, the communiqué also	announced the appointment
of a new propaganda chief.	

#### NOTE

France: Plans are proceeding for the 24-hour general strike tomorrow to protest the government's refusal to enter into talks on wage increases. Union leaders, now assured of the support of all three labor organizations—Communist, Catholic—oriented, and Socialist—claim that all indications point to an "effective" strike, one that might in some industries extend beyond 11 March. Meanwhile, both the Communist and non-Communist student organizations have publicly declared their support for the walkout even though labor remains cool to cooperation with the students in the labor-political arena and continues to stress the economic issues behind the strike.

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